



City *of* Tigard

Respect and Care | Do the Right Thing | Get it Done

Travel and Taxable Fringe Benefits

June 2011



Travel Policies – Why?

- Accountability
 - ▶ Public
- Other Agencies Requirements, Recommendations and Guidelines
 - ▶ Internal Revenue Service (IRS)
 - ▶ Fair Labor Standards Act (FLSA)
 - ▶ State of Oregon Ethics Laws and Regulations
 - ▶ General Services Administration (GSA)

Travel Topics

- Transportation
- Lodging
- Meals
- Personal Expenses
- General Travel Tips

Transportation — Suitable Options

- Air Travel
 - ▶ Azumano & Government Fares - Preferred
 - ▶ Employees may not at any point accrue frequent flyer miles (regardless of the program) during business travel
- Auto Travel
 - ▶ Personal Vehicles
 - ▶ Insurance on file Risk - Liability limits of at least \$100,000/\$300,000/\$50,000 per occurrence are required
 - ▶ Rental Vehicle

Lodging

- Lodging Per Diem Allowance
 - ▶ [GSA Domestic Per Diem Rates](#)
- Requires travel of at least 50 miles
- Exceptions
 - ▶ Requires documentation

Meals During Travel

- Meal Per Diem Allowance
 - ▶ Actual Cost
 - ▶ The city will pay actual cost for meals for an amount not exceeding the GSA rate.
 - ▶ Daily amount - unused allowance will not roll forward.
 - ▶ [GSA Domestic Per Diem Rates](#)
- Conference Meals
 - ▶ Deducted from GSA daily allowance
- Alcohol = NEVER!

Meals During Travel (cont.)

- Meal Allowance Breakout –
 - ▶ 25% Breakfast
 - ▶ 25 % Lunch
 - ▶ 50 % Dinner
- Travel Day Meals (First & Last)
 - ▶ City cannot pay more than 75% on travel days per GSA

Outbound (Departure Time)	Returning (Arrive Home)
Prior to Noon = 75%	Prior to Noon = 25%
Noon to 7:00 pm = 50%	Noon to 7:00 pm = 50%
After 7:00 pm = No allowance	After 7:00 pm = 75%

Personal Expenses

- Personal Travel with City Business
 - ▶ Employee will pay all additional costs
- Entertainment Expenses
 - ▶ Conference Receptions
 - ▶ If included in the registration cost = Allowable
 - ▶ If additional cost = City will not pay
 - ▶ Others never allowed
- Personal Items
 - ▶ Never allowed
- Alcohol = Again NEVER

General Travel Tips

- Common Sense
 - ▶ Avoid front page (or any pages!)
- Public Stewards
 - ▶ [Oregon Ethic Laws](#)
- Plan Ahead

Taxable Fringe Benefit Topics

- Incentives and Benefits
- Meals
- Meetings
- General Tips

Taxable Fringe Benefits = \$

- The IRS views certain benefits in the same light as it views a COLA or other raise... additional income.
- Income = taxable

Incentives and Benefits

- Gifts purchased by the city

Meals

- On-site vs. Off-site
 - ▶ Meeting Location
 - ▶ On-Site = The city may pay with no tax considerations
 - ▶ Off-Site = Taxable
 - ▶ City has determined due to the administrative costs of processing taxable meals, City policy shall be not to pay for a taxable meals.
 - ▶ Applies to all public officials and representatives (staff, elected officials, committee members, etc.)
- Convenience of the Employer

Meals (cont.)

- Local and Non-Overnight Stay Required Conferences/Training
 - ▶ Included with registration = no tax considerations
 - ▶ Other = taxable
 - ▶ Remember the city will not pay for taxable meals during local conferences or trainings.

Meetings

- Regularly Scheduled
 - ▶ The city will not pay for meals or refreshments
- Infrequent
 - ▶ Infrequent = quarterly or less frequently
- Committees, Boards, and Commission Meetings
 - ▶ Refreshments ok if the meeting is on-site

General Tips

- Common Sense
 - ▶ Avoid front page (or any pages!)
- Public Stewards
- De Minimis
- Payroll Notification